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SUBJECT: PUBLIC LAW 480 FOOD FOR PEACE PANEL AT ANNUAL
SESSION OF THE WORLD FOOD PROGRAM EXECUTIVE BOARD, ROME, MAY
26, 2004

REF: (A) ROME 2196, (B) ROME 2243

SUMMARY

1. USUN-Rome organized (on the margin of the Annual Session of the WFP Executive Board) a panel to celebrate the fiftieth anniversary of Public Law 480, the Agricultural Trade Development and Assistance Act that was signed into law in 1954 by President Dwight D. Eisenhower. Ambassador Tony Hall hosted USAID Deputy Administrator Frederick W. Schieck, Indian Ambassador to the UN Rome Organizations Himachal Som, and Ethiopian Ambassador Mengistu Hulluka. They spoke on the five decades old program, described by WFP's Executive Director Jim Morris (ref A) as "the largest single humanitarian program in history." Schieck informed that "over the past 50 years, the USG has contributed more than U.S. dollars (USD) \$50 billion to finance more than 367 million metric tons of food to over 150 food insecure countries. More than 3.3 billion people worldwide have been recipients of U.S. food assistance." Indian Ambassador Som remarked that India has benefited immensely from PL 480 "through schemes which continue even today, towards achieving important social objectives impacting on critical issues of child and women development services, helping create food security, and developing support to critical and marginalized peoples." Ambassador Hulluka noted Ethiopia's gratitude for the PL 480 support over the years provided by the United States and pledged his government's support "to working closely with all of you in successfully breaking the cycle of hunger and famine in the Horn of Africa region." End Summary.

Background

2. Next month the United States commemorates the fiftieth anniversary of PL 480, which was signed into law in July 1954 by President Dwight D. Eisenhower. The U.S. organized (on the margin of the Annual Session of the WFP Executive Board on May 26) a PL 480 panel to look at its past achievements, present realities and future prospects. WFP's Executive Director Jim Morris, in his opening remarks to the Annual Session of the Executive Board on May 24 (ref A), described PL 480 as "the largest single humanitarian program in history."

3. The panel was chaired by Ambassador Tony Hall; the panelists were USAID Deputy Administrator Frederick W. Schieck, Indian Ambassador to the UN Rome Organizations Himachal Som, and Ethiopian Ambassador Mengistu Hulluka.

This cable summarizes remarks of the three panelists. Their complete statements will be posted this month on the US Mission Rome website.

Opening comments by Ambassador Hall

14. Ambassador Hall served as moderator and welcomed the panelists and guests. There were about 50 people in attendance, including about a dozen other Ambassadors from different regions of the world. Selections from his opening statement follow:

"In 1954, then President Eisenhower signed the law that created this innovative program, which matched the bounty of America's farmers with the needs of hungry people around the world. After the Second World War, the United States responded to the needs in Europe by feeding everyone in need - friends and foes alike - through the Marshall Plan. We started a precedent that we would not use food as a weapon, but would instead feed those in need, regardless of ideology.

I am proud that we still use food for peace, as a tool to aid those who are less fortunate. I am pleased that the United States still provides food to those in need, even if we disagree with their governments. As President Reagan said in reference to the Great Famine in Ethiopia in 1984, 'a hungry child knows no politics.' While some of us may disagree on the finer points of food aid, and discuss that in forums here in Rome and elsewhere, it is always important to remember the beneficiaries - the men, women and children who desperately need the food they are provided. Many would die without it." End of Ambassador Hall's opening comments.

USAID Deputy Administrator Schieck's statement on PL 480
Food for Peace

15. USAID Deputy Administrator Schieck informed that "over the past 50 years, the USG has contributed more than \$50 billion to finance more than 367 million metric tons of food to over 150 food insecure countries. More than 3.3 billion people worldwide have been recipients of US food assistance. Confronted with ever growing numbers of emergencies and some 800 million acknowledged chronically food insecure in the world, USAID recognizes that any type of assistance must not increase dependency, disrupt local markets or discourage local agricultural productivity. USAID and its implementing partners continue to take careful

steps to conduct analyses on each program to prevent harmful results." He described a number of MYTHS related to food assistance: "a) buying locally is always the best way to meet world food aid needs; b) food aid basically acts as an impediment to local production and invariably harms local markets; c) the United States continues to use food aid as a means of surplus disposal; and d) the United States continues to carry out massive bilateral food aid programs."

16. He concluded that the United States "remains open to exploring how we might deepen our cooperative efforts with other donors in order to achieve further coherence in our combined responses to fighting global hunger."

Indian Ambassador to the UN Organizations in Rome, H.E.
Himachal Som

17. Summary of comments by Ambassador Som:

"Let there be no doubt that India has benefited immensely from the PL 480 Food Aid Program, first in feeding its millions in critical years of acute food shortage in the fifties and sixties. Secondly, when this period was over, thanks to the Green Revolution by the mid 1970s, to monetize this assistance to help the creation of a number of important food-related activities and reach the goal of self-sufficiency in these areas; to create, through an innovative food for work programme, of a number of critically important agriculture-related infrastructure projects from small village level activities to pharaonic works like the Rajasthan Canal. Finally, through schemes which continue even today, towards achieving important social objectives impacting on critical issues of child and women development services, helping create food security, and developing support to critical and marginalized peoples. Some of these are mammoth in vision and scope and are exemplary Government-to-Government partnership efforts, like the Integrated Child Development Services covering 400,000 of the 650,000 villages of India. Indeed, the non-convertible Rupee funds created by the huge U.S. dollar (USD) \$ 8.56 billion, PL 480 loans, have been utilised also in innumerable innovative and imaginative ways like procurement of books for U.S. libraries, for cultural and academic exchanges, science and medical research, providing scholarships and towards meeting local expenses of U.S. Embassy in India, etc. The PL 480 funds were even used to help feed the absolute destitute through organizations like Mother Teresa's Sisters of

Charity."

18. Ambassador Som went on to say: "idealism.ennobled U.S. Government's act of pragmatism. It was pragmatic to use the

funds created by the sale of excess farm production - a help to the U.S. farmers, while furthering U.S. foreign policy objectives around the world. It was idealistic to use the bulk of such funds for not only feeding the hungry, but addressing the assistance to sustain and help the most vulnerable sections of the society, especially the rural poor - women and children. It was again pragmatic as well as idealistic, to use the loans for capacity building - for reducing dependence and help towards achieving self-sufficiency."

Federal Democratic Republic of Ethiopia Ambassador to the UN
organizations in Rome, H.E. Mengistu Hulluka

19. Summary of comments of Ambassador Mengistu Hulluka:

"Securing a sustainable supply of food has been a priority for the Ethiopian government and donors for twenty years. The major famine of 1984-85 was followed by further food shortages in 1988-1989, 1992, 1994, 1999-2000, and 2002-2003. (There have been 15 droughts since 1965.) These all-too-frequent occurrences indicate that disasters are becoming increasingly endemic in Ethiopia.

Over the period 1994-2003, humanitarian food assistance to Ethiopia totaled 5.62 million tons, of which the U.S. contributed 2.86 million tons (50.8 percent).

We are committed to making serious efforts to prevent famines. We are grateful for the PL 480 support over the years provided by the United States and we look forward to working closely with all of you in successfully breaking the cycle of hunger and famine in the Horn of Africa region."

Comment

10. WFP's Executive Board's Annual Session provided a wonderful off-shore forum to commemorate the fiftieth anniversary of America's PL 480 Food for Peace. We are grateful for DA Schieck's visit, his staff's hard work, and the opportunity to showcase, in a UN-setting, a model U.S. program. The United States is WFP's leading food aid donor (USD \$8.77 billion, 1992-2003), played the key role in promoting the creation of this remarkable institution, and has over the past dozen years provided outstanding American leadership to the organization in Catherine Bertini and Jim Morris. And it was largely PL 480 that drove United States contributions through WFP in 2003 to USD \$1.47 billion, the largest voluntary donation to the UN and to a humanitarian

agency in history. In sum, PL 480 fifty years on - alive, relevant, and still very much needed. Hall

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